



# CASH

## CAPITAL ALLOCATION SELECTION HIERARCHY

**CASH** is a computer based system which has been developed as a tool to assist in the determination of projects which best meet business objectives for inclusion in the Corporate Capital Planning process.

The use of **CASH** provides a uniform methodology for evaluating and prioritising potential capital works projects. By leading the user through a series of simply presented questions, **CASH** requires the user to consider a range of business aspects which may often be overlooked in normal criticality assessment and project prioritisation processes. The process also reduces the impact of personal preferences and political issues which often cloud the objective assessment of priorities in capital expenditure.

**CASH** presents the user with a concise set of questions to determine how the projects contribute to meeting the business plan goals. On the basis of the users' answers, **CASH** calculates priority ratings for each project as well as a simple graphical representation of the results in matrix format, based on assessment of Business Plan Fit, Benefits and Risks.

Weighting factors can be applied to the business plan goals to ensure that the criteria for evaluation is consistent with current business

strategies. Weightings can also be applied at 'division' level for portfolio bias modelling on a corporate basis.

These ratings and graphic analyses can then be used to prioritise a number of projects considered simultaneously - to ensure that provision for capital expenditure is undertaken on the basis of maximum benefit and minimum risk or can be used directly against a set datum to decide whether any single project should be planned for or not.

**CASH** contains a number of report options so that the user can produce listings by priority, category, etc. once projects have been registered and assessed by the system.

The operation of **CASH** does not require knowledge of complex statistical analysis methods or detailed information on project costs and benefits, etc. **CASH** is designed specifically to be fast and simple to operate so that the effort required in assessing and re-assessing the many potential projects that arise for consideration, is minimised.

The Business Goals and Statements preceding each set of questions has been tailored by senior management within your organisation to bring the greatest relevance to the final results.

### BENEFITS:

- Objective methodology
- Reduces conflict of personal preferences
- Fast and easy to use
- Provides single project assessment or multiple project comparisons
- Provides an audit trail of the decision making process
- New ideas assessed at embryonic stage, prior to expenditure of resources





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### Capital expenditure prioritised

CASH objectively prioritises capital projects by guiding the user through a series of questions. A range of business aspects can be assessed which are often overlooked when using normal criticality assessment and project prioritisation processes.

### Projects criticality assessed

Based on answers to the questions, CASH analyses the criticality of each project in line with the business unit's objectives and assign an appropriate category. Funds are allocated to projects in their order of criticality. This process quickly filters out low priority applications.

### Personal preferences reduced

CASH objectively prioritises capital projects. This facility benefits an organisation by reducing the impact of personal preferences, quality of the requests and political issues, which often cloud capital expenditure assessments.

### Reduced conflict

Conflict of opinions often cause problems in decision making. Internal politics can override the best interests of an organisation. CASH will overcome these difficulties because it applies systematic and repeatable methods for assessing priorities.

### Projects prioritised simultaneously

The criticality factor can be used to prioritise a number of projects simultaneously, maximising the use of available capital. Alternatively, this factor can be used directly against a set datum to decide whether a project should proceed to the next stage.

### Fast and easy to use

CASH is fast and easy to use. It minimises the time taken to assess and re-sort the many potential projects that arise each year. Knowledge of complex statistical analysis methods or detailed information on project costs and benefits are not required.

### Report options

Once projects are registered and assessed by CASH, users can select an appropriate report option from the list provided. These reports print out a listing of projects sorted in a variety of ways such as: priority, category, benefit etc.

### CASH benefits

Application originators can rate the priority of a project prior to submitting an application for capital, thereby filtering out all low priority applications. At the same time they are encouraged to proceed with projects which have a good chance of being approved.

### Implementation

Implementation includes tailoring to meet industry and site specific requirements; training, and consulting on their incorporation into existing operational procedures. This ensures that decision making is continually improved. CASH is a Windows based application.

Identity	Project Title	Process / Area	PRTY	BPF	BFT	RISK
A9876	Measures beam	Wet end	947	797	408	43
ASRF	Hole Detector	Dry End	912	772	333	158
RJH261	Auto slitter controls	Winder	935	755	388	53
6-123	Replacement MMS computer	Maintenance	872	752	332	192
ABCD123345	Dry end tail cutter	Dyers	826	706	365	126
DYE1	Dye system upgrade	Paper machine basement	840	660	321	86
RCF001	Disperser brightening	RCF	784	654	281	138
RAIL LOAD	Skate rail load	Warehouse	802	602	363	83
R500LCN	Upgrade TDC System to	Plantwide Upgrade software	921	601	368	144
ABC123	Install a Honeywell operator	Dry end	788	578	313	76
SLUDGE-CO	sludge control	Water treatment	743	553	247	89
NEW1	Replacement Steam Box	Former	689	509	321	83
TEST123	New financial management	Finance	706	436	271	162
6-124	Provision of company cars	Personnel	550	340	183	43
1234	Appointing a Secretary	Plantwide	455	205	89	43

Project Identity: A9876 Project Title: Measures beam

CUSTOMER ORIENTATION - EXTERNAL (11) RATING: 10

DEFINITION  
TO ENSURE DELIVERY OF NEWSPRINT AND ASSOCIATED PRODUCTS ON DEMAND TO THE  
REQUIRED QUALITY AND QUANTITY, TO ACHIEVE A CUSTOMER SATISFACTION INDEX  
OF 95

IS THIS TOPIC APPLICABLE TO THIS SITUATION/REVIEW ?  Yes  No

Q1 Does project address a business plan issue/action re the above (Y/N) ?  Y  N

Q2 How accurately is the issue/improvement opportunity defined (1/2/3)?  1  2  3

Q3 Does ANM already have experience in the proposed initiatives (Y/N) ?  Y  N

Q4 Does the improvement require ANM to adopt new business practices (Y/N) ?  Y  N

Q5 What is the operational/financial improvement opportunity (1/2/3) ?  1  2  3

Cancel Accept



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